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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000899

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TAGS: [EAGR](#) [EINV](#) [KCOR](#) [PREL](#) [PGOV](#) [PHUM](#) [TX](#) [GM](#)

SUBJECT: SUBJECT: IT TAKES A TOUGH MAN'S SON TO MAKE A
TENDER CHICKEN IN TURKMENISTAN

REF: ASHGABAT 884

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Classified By: Charge d'Affaires Jennifer L. Brush, for reasons 1.4 (b)
and (d)

Summary

1. (C) Turkmenistan continues to get curiouiser and curiouiser. The embattled but profitable German-Turkmenistan Joint Venture "Shohrat" chicken farm apparently is being slowly but surely expropriated, possibly to end up as a model enterprise for presidential son Murat Niyazov. The Turkmen partner in the joint venture has been in jail for a month on charges of illegal use of land and according to the German investor, "not a single local lawyer" is willing to take their case. According to local EU Commission Advisor Michael Wilson, Murat has started to return to Turkmenistan on a monthly basis, is studying intensive Turkmen language and is looking for an appropriate position. On the heels of PDAS Mann's August 14 visit advising President Niyazov to "send a serious signal that Turkmenistan can be a reliable business partner," the chicken farm's woes only goes further to prove Niyazov has no such intention. End Summary.

The Saga of the Shohrat Chicken Farm

2. (C) On August 23 German-Turkish businessman "Mr. Dogan" invited Chiefs of Mission from the United States, Germany UK, France and EU Commission to lunch to hear the latest chapter in the saga of his joint venture the "Shohrat" chicken farm. According to Dogan, his Turkmen business partner and the partner's son had been thrown in jail a month ago on charges of illegal use of land and illegal possession of a service passport. Dogan said he had arrived in Ashgabat as soon as he could after hearing this news but had been delayed when Turkmenistan authorities had denied him a visa based on a pending court case against Dogan filed by a citizen of Turkmenistan in a German court. German Ambassador Mondorff added that after he protested the visa decision via note verbale, Foreign Minister Meredov had called him in July 31 to explain the government's position. According to Meredov, the chicken farm never was a joint venture and Dogan was not a legitimate investor. In addition, Dogan's partner was guilty of

--illegal occupation of 1500 hectares of land,
-- illegal occupation of premises belonging to the Ministry
of Defense, and
--illegal possession of a service passport.

13. (C) Mondorff said he told Meredov that he was "baffled" by these charges considering the land had been in use for over three years in broad view of the public and authorities right along the major Ashgabat-Mary highway. Dogan added that in fact the Governor of Ahal Province and the Minister of Defense had "given" the farm the land because it was considered overly salinated and therefore non-arable. Furthermore, Dogan continued, President Niyazov himself had singled out for praise the Shohrat farm during a Cabinet of Ministers meeting earlier this year. According to Dogan, Niyazov was particularly impressed by the farm's cheap and effective technique to desalinate the land and plant it with sufficient grain to feed the farm's chickens. Niyazov apparently criticized then-Agriculture Minister Begench Atamyradov for not running the state poultry farms at the same high level.

14. (C) According to Dogan, he came to Turkmenistan soon after independence, encouraged by Turkmenistani friends who told him there was money to be made in the poultry business. Dogan said he found his partner "Shohrat," financed the purchase of machinery and he has been returning to Turkmenistan at frequent intervals to oversee the project. The farm started having problems in 2002 when the government tried to shut it down, but Dogan says a good local lawyer sorted out whatever the problem was at that time. Things got more serious in 2004 when the government came after the farm again, but Mondorff marshalled the local diplomatic community, had a high-level EU delegation discuss the case

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with the president and hired the same lawyer to work out the details. Following this standoff, Dogan claims the Ministry of Defense and provincial government gave him even more land (now the land his partner is accused of occupying illegally). Though the land was unarable at the time, Dogan claims to have perfected a cheap technique to desalinate and now has had three successful crops of grain, considerably increasing his profit margin as he no longer has to pay for chicken feed. There were a number of dilapidated barracks also on the Ministry of Defense land which Dogan renovated to house his chick/egg-laying operations. Dogan said he was preparing one of the barracks to begin a broiler preparation operation (Note: Since imported chicken was banned earlier this year because of avian influenza, there have been no broilers available on the local market. Even the importer bringing in U.S.-origin quarter-thighs, locally referred to as "Bush's Legs" no longer is bringing in chicken. Apparently the frozen quarter thighs still available on the market are the dregs of the last shipment and should be consumed "at your own risk." More on the overall chicken shortage septel. End Note.) Now, according to Dogan, "no lawyer in Turkmenistan" is willing to take on the case of Dogan's partner, not even the lawyer who had successfully defended the operation in the past.

Murat Perdue?

15. (C) The plot thickened, however, when Dogan said that his partner had told him prior to his arrest that the local Ahal Hotel Chain manager Italian citizen Luigi Fontanabona, who also serves as Niyazov's personal cook and runs Niyazov's personal chicken farm, had visited Shohrat unannounced and took physical measurements of the interiors of the chicken farm facilities.

16. (C) As Dogan continued telling the legal details of his saga to the other guests, Wilson whispered to Charge. "This

is where Murat comes in." According to Wilson, the Shohrat farm is "cooked," Wilson is convinced that Niyazov decided to grab the profitable farm to give his son Murat something to run. Wilson said Murat now was coming to Turkmenistan from Vienna on a monthly basis, most often through Moscow (where his mother and sister reside), and was studying "intensive Turkmen." (Note: As of 2004 Murat could not speak Turkmen. End Note.) Wilson also said that Dogan's imprisoned partner was a schoolmate of Murat's, which explained how Dogan was able to open his joint venture in the first place. According to Wilson, Murat was likely to run the chicken farm, once it was successfully confiscated, and also would be given other political sinecures.

Comment

17. (C) This is a wild story, possibly just wild enough to make sense. In any case, on the heels of PDAS Mann's August 14 suggestion to President Niyazov that he "send a strong signal that Turkmenistan could be a reliable business partner," the troubles of the Shohrat chicken farm are further indication that Turkmenistan could hardly be less reliable. End Comment.
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